

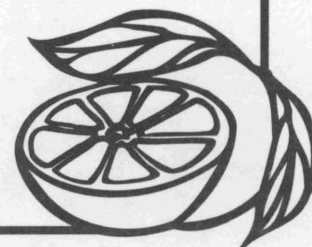


Texas Agricultural Extension Service

The Texas A&M University System

Texas Citrus Market Promotion

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Prior to the 1983 freeze, Texas citrus production and value exceeded the combined total production and value of all other tree fruits and nuts in the state. Nonetheless, Texas citrus production ranked behind Florida and California-Arizona production. The Texas citrus industry must, therefore, pursue aggressive and effective promotion and marketing strategies to maintain and expand its share of the total citrus market, primarily for fresh fruit but also for processed products.

TexaSweat Citrus Advertising, Inc., was organized in 1962 as a non-profit, non-stock corporation for the purpose of promoting the sale of fresh Texas citrus fruit. TexaSweat is under contract to the Texas Valley Citrus Committee (TVCC), which administers the Federal Marketing Order for Texas citrus. It is funded through assessments collected by TVCC on a per-carton basis for all Texas citrus except gift fruit shipped fresh through commercial channels. This assessment is paid annually by shippers and growers.

TexaSweat's objective is to create and maintain an overall positive image for the Texas citrus industry. Market promotion activities are primarily directed to wholesale and retail levels to encourage the purchase and further the promotion of fresh Texas citrus. Public relations activities, educational materials and advertising are directed at the produce trade, retailers and consumers to enhance awareness and create greater preference for Texas citrus.

Market research is essential to determine market preferences, market trends and perceptions regarding Texas citrus and to enable the most effective use of the limited funds available for the promotion of Texas citrus.

TexaSweat has contracted with the Texas A&M University Market Research Center and others to conduct market research over the years. Many of the points emphasized in market research reports in the past have been implemented by the Texas citrus industry. However, the changing trends and perceptions in the marketplace require continued research and evaluation to improve the total marketing program for fresh Texas citrus fruits.

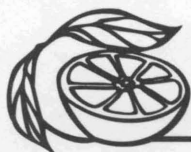
Promotional Activities

The overall objective for the TexaSweat marketing programs has been to create a demand for fresh Texas oranges and grapefruit by influencing the trade to conduct promotional activities which would encourage greater sales to consumers. Publicity through media channels was designed to strengthen merchandising efforts and create favorable consumer attitudes for Texas citrus. Target audiences were the receiving trade, retailers and consumers. The overall promotional program is comprised of merchandising, advertising and public relations programs.

Merchandising programs aimed at the trade serve one primary purpose - to motivate the receiving trade and retailers to purchase citrus from Texas. Once Texas citrus is part of the produce department, there is a two-fold objective. First, TexaSweat promotions are set with retailers to generate eye-catching displays of Texas oranges and grapefruit in a prominent area of the produce department. Secondly, ad features and in-store promotions are scheduled to increase normal sales. Positive results have been achieved by offering national promotions and promotions set on an individual company basis.

Within the advertising category, commercials or ads are placed in newspapers, or on radio or television. Both the trade and consumers are the target audience, with tie-in benefits for the retailers. To qualify for the tie-in the retailer must

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create features for Texas oranges and/or grapefruit through their own form of advertising and in-store promotion.

Contact with consumers has been strengthened through public relations programs. Avenues were established to transmit pertinent information to the produce trade and to consumers through cost-effective means. Radio, television, newspapers, magazines, educational programs and many other vehicles have been used to convey nutritional information, recipes, serving suggestions and general industry information.

Promotional Program

As the Texas citrus industry continues its recovery from the 1989 freeze, new promotional efforts have been developed to create both trade and consumer awareness of the rejuvenated industry and its superior quality fresh citrus. The program is based on the evaluation of a nationwide study of consumer attitudes towards Texas Ruby Red grapefruit, conducted during the 1987-88 season under contract by TexaSweat.

Several points will be emphasized to create a stronger position for Texas fresh citrus in the market:

- Work old markets to regain the market share lost to competitors since the freeze.
- Concentrate on key areas to reinforce Texas citrus in the minds of retailers.

- Improve distribution.
- Increase trade and consumer awareness of Texas grapefruit.
- Reinforce the premium quality image of Texas grapefruit.
- Provide additional information to consumers to increase visibility of Texas citrus.

These points will be emphasized in traditional promotional programs as well as national tie-in food promotions with other commodity groups. Moreover, the industry has joined together to develop a unified and progressive image for the recovering Texas citrus industry. This new look includes a logo, similar to an authentic seal, and decal designs and shipping carton designs.

Another major component is the use of two distinct marketing names for Texas red grapefruit varieties. Both Rio Red and Star Ruby grapefruit will be marketed jointly as "Rio Star" to reflect their deep red flesh color. Ruby Red and other slightly redder varieties and selections such as Henderson and Ray will be marketed under the name "Ruby Sweet." These names help distinguish Texas-grown red grapefruit from that of competitors and also provide acceptable market differentiation between the various degrees of interior red color of Texas-grown red grapefruit varieties.

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